

HOUSING AUTHORITY OF LAKE PROVIDENCE**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA****TWELVE MONTHS ENDED SEPTEMBER 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/6/11

Mike Estes, P.C.
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Lake Providence
Lake Providence, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the City of Lake Providence, Louisiana as of and for the year ended September 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of Lake Providence, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Lake Providence, Louisiana, as of September 30, 2010, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2011, on our consideration of the Housing Authority of the City of Lake Providence, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Housing Authority of the City of Lake Providence, Louisiana. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of the City of Lake Providence, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying Financial Data Schedules required by HUD and other accompanying information identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
March 23, 2011

HOUSING AUTHORITY OF LAKE PROVIDENCE, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2010

Housing Authority of Lake Providence, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2010

The management of Public Housing Authority of Lake Providence, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2010. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,491,138 at the close of the fiscal year ended 2010.
 - ✓ Of this amount \$2,366,702 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ The remainder of \$124,436 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 14% of the total operating expenses of \$952,272 for the fiscal year 2010, which means the Authority might be able to operate about 1.5 months using the unrestricted assets alone, which compares less favorably with 2.5 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$144,200, a 6% change from the prior fiscal year 2009. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by a decrease in cash and cash equivalents of \$153,535.
- The Authority spent \$429,552 on capital asset additions during the current fiscal year.
- These changes led to an increase in total assets by \$43,107 and a decrease in total liabilities by \$101,093. As related measure of financial health, there are still over \$2.22 of current assets covering each dollar of total current and long-term liabilities, which compares less favorably with \$1.97 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2010?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Low Rent Public Housing
Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

Housing Authority of Lake Providence, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2010

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,491,138 as of September 30, 2010. Of this amount, \$2,366,702 was invested in capital assets, and the remaining \$124,436 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

CONDENSED FINANCIAL STATEMENTS

**Condensed Schedule of Net Assets
 As of September 30, 2010**

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets	\$ 226,404	\$ 399,371
Capital assets, net of depreciation	<u>2,366,702</u>	<u>2,150,628</u>
Total assets	<u><u>2,593,106</u></u>	<u><u>2,549,999</u></u>
LIABILITIES		
Current liabilities	79,812	182,370
Non-current liabilities	<u>22,156</u>	<u>20,691</u>
Total liabilities	<u><u>101,968</u></u>	<u><u>203,061</u></u>
NET ASSETS		
Invested in capital assets, net of depreciation	2,366,702	2,150,628
Unrestricted net assets	<u>124,436</u>	<u>196,310</u>
Total net assets	<u><u>2,491,138</u></u>	<u><u>2,346,938</u></u>
Total liabilities and net assets	<u><u>2,593,106</u></u>	<u><u>2,549,999</u></u>

Housing Authority of Lake Providence, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2010

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$144,200, or by 6%, from those of fiscal year 2009, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
Fiscal Year Ended September 30, 2010

	2010	2009
OPERATING REVENUES		
Dwelling rental	\$ 255,037	\$ 249,282
Governmental operating grants	472,120	527,063
Other	6,047	1,650
Total Operating Revenues	733,204	777,995
OPERATING EXPENSES		
Administration	195,584	193,055
Tenant services	2,552	1,462
Utilities	62,307	60,332
Ordinary maintenance & operations	352,791	333,364
Protective services	6,073	0
General expenses	119,517	129,135
Depreciation	213,447	198,197
Extraordinary maintenance	0	12,500
Total Operating Expenses	952,271	928,045
Income (loss) from Operations	(219,067)	(150,050)
Non Operating Revenues (Expenses)		
Interest earnings	305	855
Insurance proceeds	37,715	61,667
Total Non-Operating Revenues (Expenses)	38,020	62,522
Income (loss) before contribution	(181,047)	(87,528)
Capital Contribution	325,247	194,185
Change in net assets	144,200	106,657
Total net assets - beginning	2,346,938	2,240,281
Total net assets - ending	\$ 2,491,138	\$ 2,346,938

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, operating revenues, and capital contributions increased \$61,769, or by 6%, from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Federal revenues from HUD for operations decreased by \$54,943, or by 10%, from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, as well as other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was a decrease in the number of eligible tenants receiving subsidies, so Housing Assistance Grants decreased accordingly, lowering the overall total.
- Federal Capital Funds from HUD increased by \$131,062, or by 67% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal year 2009, and submitted a new grant during this 2010 fiscal year.
- Total other non-operating revenue decreased by \$23,952, or by 39% from that of the prior fiscal year, because the Authority received less proceeds from casualty insurance claims, which are recorded as other income by the Authority in the year received.
- Total tenant revenue increased by \$5,755, or by 2%, from that of the prior fiscal year due to the amount of rent each tenant pays which is based on a sliding scale of their personal income.
- Interest income totaling \$305, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating expenses increased \$24,226, or by 3%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$15,251, or by 8% from that of the prior fiscal year, because there was an increase in capital assets by \$429,521.
- Maintenance and repairs increased by \$19,427, or by 94% from that of the prior fiscal year due to several major factors: Repair staff wages increased by \$5,451, or by 4%, and related employee benefit contributions decreased by \$627, or by 1%. Materials used increased by \$14,861, or by 29%, however contract labor costs decreased by \$258. Extraordinary maintenance also decreased by \$12,500 from that of the prior fiscal year.
- General Expenses decreased by \$9,618, or by 7% from that of the prior fiscal year.
- Administrative Expenses increased by \$2,528, or by 1% from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries increased by \$4,710, or by 4%, and related employee benefit contributions increased by \$2,014, or by 5%; therefore, total staff salaries and benefit costs increased by 5%. However, audit fees decreased by \$170, or by 2%, accounting fees decreased by \$7,332, or by 41%; thus, total outside professional fees decreased by 28%. Finally, staffs travel reimbursements increased by \$1,358, or by 12%, whereas staff training costs decreased by \$20, but sundry expenses increased by \$2,108, or by 21%; therefore, other staff administrative expense increased by 14%.

Housing Authority of Lake Providence, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2010

- Utilities Expense increased by \$1,975, or by 3% from that of the prior fiscal year due to numerous factors: Although water cost decreased by \$330 and a decrease in rate by 1%, electricity cost increased by \$1,126 and an increase in rate by 15%; gas cost increased by \$303 and an increase in rate by 30%; and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$1,179, or by 34%.
- Other tenant Services increased by \$1,090, or by 75% from that of the prior fiscal year.
- Also, protective services increased by \$6,073 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2010, the Housing Authority had a total cost of \$7,321,107 invested in a broad range of assets and construction in progress from projects funded in 2007 through 2009, listed below. This amount, not including depreciation, represents increases of \$429,522 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
 As of September 30, 2010**

	<u>2010</u>	<u>2009</u>
Land	\$ 154,069	\$ 154,069
Construction in progress	121,373	211,095
Buildings	1,942,029	1,690,002
Leasehold improvements	86,878	39,337
Furniture and equipment	<u>62,353</u>	<u>56,125</u>
Total	<u>2,366,702</u>	<u>2,150,628</u>

As of the end of the 2010 fiscal year, the Authority is still in the process of completing a HUD grant of \$222,627 for the 2009 grant year. A total remainder of \$334 will be received during fiscal year 2011.

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2011 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Jerry Bell, at Public Housing Authority of Lake Providence, Louisiana; 226 Foster; Lake Providence, LA 71254.

**HOUSING AUTHORITY OF LAKE PROVIDENCE
STATEMENT OF NET ASSETS.**

SEPTEMBER 30, 2010

ASSETS**Current assets**

Cash and cash equivalents	\$ 148,932
Investments	16,888
Accounts receivable net	2,494
Prepaid items and other assets	40,715
Inventory	2,540
Restricted assets - cash and cash equivalents	14,835

Total Current Assets	226,404
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Capital Assets, net

Land and other non-depreciated assets	275,442
Other capital assets - net of depreciation	2,091,260

Total Capital Assets, net	2,366,702
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Total Assets	\$ 2,593,106
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LIABILITIES**Current Liabilities**

Accounts payable	\$ 12,817
Deferred revenue	1,134
Compensated absences payable	9,286
Accrued PILOT	41,740
Deposits due others	14,835

Total Current Liabilities	79,812
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Noncurrent Liabilities

Compensated absences payable	22,156
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Total Liabilities	101,968
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NET ASSETS

Invested in capital assets, net of related debt	2,366,702
Unrestricted	124,436

Net Assets	2,491,138
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Total Liabilities and Net Assets	\$ 2,593,106
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The Notes to the Financial Statements are an integral part of these statements.

**HOUSING AUTHORITY OF LAKE PROVIDENCE
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS**

YEAR ENDED SEPTEMBER 30, 2010

OPERATING REVENUES	
Dwelling rental	\$ 255,037
Governmental operating grants	472,120
Other	6,047
Total Operating Revenues	<u>733,204</u>
OPERATING EXPENSES	
Administration	195,584
Tenant services	2,552
Utilities	62,307
Ordinary maintenance & operations	352,791
Protective services	6,073
General expenses	119,517
Depreciation	213,447
Total Operating Expenses	<u>952,271</u>
Income (loss) from Operations	<u>(219,067)</u>
Non Operating Revenues (Expenses)	
Interest earnings	305
Insurance proceeds	37,715
Total Non-Operating Revenues (Expenses)	<u>38,020</u>
Income (loss) before contribution	<u>(181,047)</u>
Capital Contribution	325,247
Change in net assets	144,200
Total net assets - beginning	<u>2,346,938</u>
Total net assets - ending	<u><u>\$ 2,491,138</u></u>

The Notes to the Financial Statements are an integral part of these statements.

**HOUSING AUTHORITY OF LAKE PROVIDENCE
STATEMENT OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 251,548
Other receipts	27,129
Federal grants	487,571
Payments to vendors	(502,647)
Payments to employees – net	(350,875)
	<hr/>
Net cash provided (used) by operating activities	(87,274)
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(429,522)
Federal Capital Grants	325,247
Insurance proceeds	37,715
	<hr/>
Net cash provided (used) by capital and related financing activities	(66,560)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	299
	<hr/>
Net cash provided (used) by investing activities	299
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(153,535)
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	<hr/> 317,302
CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ <hr/> 163,767

Continued

HOUSING AUTHORITY OF LAKE PROVIDENCE
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2010

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$ (219,067)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	213,447
Provision of uncollectible accounts	(1,776)
Change in assets and liabilities:	
Receivables	17,022
Inventories	67
Prepaid items	4,857
Account payables	(126,692)
Accrued expenses	2,592
Accrued PILOT	19,273
Deferred revenue	463
Deposits due others	2,540
	<hr/>
Net cash provided (used) by operations	<u>\$ (87,274)</u>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2010

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**HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Lake Providence have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Lake Providence, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW – 1099	150
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the Town of Lake Providence since the Town of Lake Providence appoints a voting majority of the Housing Authority's governing board. The Town of Lake Providence is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Lake Providence. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Lake Providence.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

**HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$163,767. This is comprised of cash and cash equivalents of \$148,932 and restricted assets – cash of \$14,835, on the Schedule of Net Assets sheet.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. "Available" is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

**HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

II. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2010. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$14,835 is restricted in the General Fund for security deposits.

At September 30, 2010, the Housing Authority's carrying amount of deposits was \$180,580 and the bank balance was \$198,203, which includes \$16,888 in certificates of deposits classified as investments. Petty cash and the change fund consists of \$75. Of the bank balance, the entire amount was covered by FDIC insurance.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2010, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 2,160
Federal sources:	
Grants	334
Total	<u>\$ 2,494</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$897.

HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 154,069	\$ 0	\$ 0	\$ 154,069
Construction in progress	211,095	0	89,722	121,373
Depreciable assets:				
Buildings	6,280,345	489,576	0	6,769,921
Furniture and equipment	246,076	29,668	0	275,744
Total capital assets	6,891,585	519,244	89,722	7,321,107
Less: accumulated depreciation				
Buildings	4,551,006	190,009	0	4,741,015
Furniture and equipment	189,951	23,439	0	213,390
Total accumulated depreciation	4,740,957	213,448	0	4,954,405
Total capital assets, net	\$ 2,150,628	\$ 305,796	\$ 89,722	\$ 2,366,702

NOTE 5 – ACCOUNTS PAYABLE The payables at September 30, 2010 are as follows:

Vendors	\$ 11,299
Payroll taxes & Retirement withheld	1,518
Total	\$ 12,817

NOTE 6 – COMPENSATED ABSENCES At September 30, 2010, employees of the Housing Authority have accumulated and vested \$31,442 of employee leave computed in accordance with GASB, Codification Section C60.

**HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

NOTE 7 – LONG – TERM OBLIGATIONS The following is a summary of the long - term obligation transactions for the year ended September 30, 2010.

	Compensated Absences
Balance, beginning	\$ 29,637
Additions	16,510
Deductions	14,705
Balance, ending	31,442
Amounts due in one year	\$ 9,286

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Agency Retirement Trust, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the year after completing one year of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation, and may make additional contributions up to 2½% of his effective compensation. The employer is required to make monthly contributions equal to 5% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Agency Retirement Trust may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$21,212 for the year ended September 30, 2010, of which \$12,727 was paid by the Housing Authority and \$8,485 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments The Authority entered into an Employment Agreement with the Executive Director, effective November 16, 2010. The Agreement is for five years, and renews automatically for an additional year, at the end of each year, unless the Authority gives written notice of termination to the Executive Director at least sixty days prior to the end of the Agreement.

The Agreement may be terminated by the Authority for cause, at any time, as long as due process is followed. If the Executive Director is terminated without cause, the Authority is obligated to pay a lump sum equal to the salary and benefits he would have received for the remainder of the five year term. If the Executive Director leaves for any reason, the Authority is obligated to pay all unused but earned annual leave, in accordance with the Personnel Policy.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2010. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of public liability and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that it's own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$797,367 to the Housing Authority, which represents approximately 73% of the Housing Authority's total revenue and capital contributions for the year.

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

Housing Authority of Lake Providence
Lake Providence, Louisiana

We have audited the basic financial statements of the Housing Authority of the City of Lake Providence, Louisiana, as of and for the year ended September 30, 2010, and have issued our report thereon dated March 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Lake Providence, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Lake Providence, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Lake Providence, Louisiana's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Lake Providence, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
March 23, 2011

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**Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Independent Auditor's Report

Housing Authority of Lake Providence
Lake Providence, Louisiana

Compliance

We have audited the Housing Authority of the City of Lake Providence, Louisiana compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Lake Providence, Louisiana's major federal programs for the year ended September 30, 2010. The Housing Authority of the City of Lake Providence, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of Lake Providence, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of the City of Lake Providence, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Lake Providence, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of the City of Lake Providence, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of the City of Lake Providence, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of the Housing Authority of the City of Lake Providence, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of Lake Providence, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Lake Providence, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
March 23, 2011

HOUSING AUTHORITY OF LAKE PROVIDENCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2010

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development		
Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 374,502
Capital Fund Cluster		
Capital Fund Program	14.872	240,201
American Recovery and Reinvestment Act	14.885	182,664
Total Capital Fund Cluster		<u>422,865</u>
Total United States Department of Housing and Urban Development		<u>\$ 797,367</u>
Total Expenditures of Federal Awards		<u>\$ 797,367</u>

HOUSING AUTHORITY OF LAKE PROVIDENCE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Lake Providence, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	Federal Sources
Enterprise funds:	
Governmental operating grants	\$ 472,120
Capital contributions	325,247
Total	\$ 797,367

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF LAKE PROVIDENCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2010

Section I – Summary of the Auditor's Results

Financial Statement Audit

1. Type of Auditor's Report Issued on Financial Statements – Unqualified.

2. Internal Control Over Financial Reporting:

a. Material weakness(es) identified?	_____ yes	<u>✓</u>	no
b. Significant deficiency(ies) identified?	_____ yes	<u>✓</u>	none reported

3. Noncompliance material to financial statements noted?	_____ yes	<u>✓</u>	no
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Audit of Federal Awards

1. Internal Control Over Major Programs:

a. Material weakness(es) identified?	_____ yes	<u>✓</u>	no
b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	<u>✓</u>	none reported

2. Type of Auditor's Report Issued on Compliance For Major Programs – Unqualified.

3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ yes	<u>✓</u>	no
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4. The programs tested as major programs include:

CFDA# 14.872	Capital Fund
CFDA# 14.885	American Recovery and Reinvestment Act

5. Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

6. Auditee qualified as low-risk auditee?	<u>✓</u> yes	_____ no
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HOUSING AUTHORITY OF LAKE PROVIDENCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2010

**Section II – Findings related to the financial statements which are required to be reported
in accordance with Governmental Auditing Standards generally accepted in
the United States of America:**

None

HOUSING AUTHORITY OF LAKE PROVIDENCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2010

Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

None

HOUSING AUTHORITY OF LAKE PROVIDENCE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2010

The following prior audit findings were required to be reported under OMB Circular No.A-133, Section 510(a) (for major program) for the prior year:

None

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF LAKE PROVIDENCE
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT**

YEAR ENDED SEPTEMBER 30, 2010

	2007 Capital Fund	2008 Capital Fund	2009 Capital Fund Recovery Grant
Funds approved	\$ 228,586	\$ 223,796	\$ 283,281
Funds expended	<u>228,586</u>	<u>223,796</u>	<u>283,281</u>
Excess of funds approved	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Funds advanced	\$ 228,586	\$ 223,796	\$ 283,281
Funds expended	<u>228,586</u>	<u>223,796</u>	<u>283,281</u>
Excess of funds advanced	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs, all dated July 12, 2010 accompanying the Actual Modernization Costs Certificates submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF LAKE PROVIDENCE
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2010

CASH BASIS

	2009 <u>Capital Fund</u>
Funds approved	\$ 222,627
Funds expended	<u>222,627</u>
Excess of funds approved	<u>\$ 0</u>
 Funds advanced	 \$ 222,293
Funds expended	<u>222,627</u>
Excess (deficiency) of funds advanced	<u>\$ (334)</u>

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Entity Wide Balance Sheet Summary

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Total
111 Cash - Unrestricted	\$148,932	\$0	\$148,932
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$14,835	\$0	\$14,835
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0
100 Total Cash	\$163,767	\$0	\$163,767
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$334	\$0	\$334
124 Accounts Receivable - Other Government	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$1,041	\$0	\$1,041
126 Accounts Receivable - Tenants	\$2,014	\$0	\$2,014
126.1 Allowance for Doubtful Accounts - Tenants	-\$897	\$0	-\$897
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0
129 Accrued Interest Receivable	\$2	\$0	\$2
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,494	\$0	\$2,494
131 Investments - Unrestricted	\$18,888	\$0	\$18,888
132 Investments - Restricted	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$40,715	\$0	\$40,715
143 Inventories	\$2,540	\$0	\$2,540
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0
150 Total Current Assets	\$228,404	\$0	\$228,404
161 Land	\$154,089	\$0	\$154,089
162 Buildings	\$6,088,060	\$0	\$6,088,060
163 Furniture, Equipment & Machinery - Dwellings	\$148,179	\$0	\$148,179
164 Furniture, Equipment & Machinery - Administration	\$128,565	\$0	\$128,565
165 Leasehold Improvements	\$681,861	\$0	\$681,861
166 Accumulated Depreciation	-\$4,954,405	\$0	-\$4,954,405
167 Construction in Progress	\$121,373	\$0	\$121,373
168 Infrastructure	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,366,702	\$0	\$2,366,702
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0
174 Other Assets		\$0	\$0
176 Investments in Joint Ventures		\$0	\$0
180 Total Non-Current Assets	\$2,366,702	\$0	\$2,366,702
190 Total Assets	\$2,593,106	\$0	\$2,593,106

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Entity Wide Balance Sheet Summary

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Total
311 Bank Overdraft	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$11,299	\$0	\$11,299
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$1,518	\$0	\$1,518
322 Accrued Compensated Absences - Current Portion	\$9,286	\$0	\$9,286
324 Accrued Contingency Liability	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs		\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$41,740	\$0	\$41,740
341 Tenant Security Deposits	\$14,835	\$0	\$14,835
342 Deferred Revenues	\$1,134		\$1,134
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds		\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0
348 Loan Liability - Current		\$0	\$0
310 Total Current Liabilities	\$79,812	\$0	\$79,812
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$22,156	\$0	\$22,156
355 Loan Liability - Non Current		\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$22,156	\$0	\$22,156
300 Total Liabilities	\$101,968	\$0	\$101,968
508.1 Invested in Capital Assets, Net of Related Debt	\$2,368,702	\$0	\$2,368,702
508.2 Fund Balance Reserved			
511.2 Unreserved, Designated Fund Balance			
511.1 Restricted Net Assets	\$0	\$0	\$0
512.1 Unrestricted Net Assets	\$124,436	\$0	\$124,436
512.2 Unreserved, Undesignated Fund Balance			
513 Total Equity/Net Assets	\$2,491,138	\$0	\$2,491,138
600 Total Liabilities and Equity/Net Assets	\$2,593,106	\$0	\$2,593,106

HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE

YEAR ENDED SEPTEMBER 30, 2010

Single Project Revenue and Expense

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$255,037	\$0	\$255,037
70400 Tenant Revenue - Other	\$5,905	\$0	\$5,905
70500 Total Tenant Revenue	\$260,942	\$0	\$260,942
70600 HUD PHA Operating Grants	\$374,502	\$85,560	\$440,062
70610 Capital Grants	\$0	\$174,641	\$174,641
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$305	\$0	\$305
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$37,857	\$0	\$37,857
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$673,806	\$240,201	\$913,807
91100 Administrative Salaries	\$111,118	\$0	\$111,118
91200 Auditing Fees	\$8,530	\$0	\$8,530
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$109	\$0	\$109
91500 Employee Benefit contributions - Administrative	\$40,005	\$0	\$40,005
91600 Office Expenses	\$12,867	\$0	\$12,867
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$10,677	\$0	\$10,677
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$8,305	\$1,548	\$9,853
91000 Total Operating - Administrative	\$191,611	\$1,548	\$193,159
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$2,552	\$0	\$2,552
92500 Total Tenant Services	\$2,552	\$0	\$2,552

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Single Project Revenue and Expense

	Low Rent	Capital Fund	Total Project
93100 Water	\$24,274	\$0	\$24,274
93200 Electricity	\$8,697	\$0	\$8,697
93300 Gas	\$1,297	\$0	\$1,297
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$28,039	\$0	\$28,039
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$62,307	\$0	\$62,307
94100 Ordinary Maintenance and Operations - Labor	\$137,084	\$0	\$137,084
94200 Ordinary Maintenance and Operations - Materials and Other	\$45,449	\$1,714	\$47,163
94300 Ordinary Maintenance and Operations Contracts	\$71,894	\$17,599	\$89,493
94500 Employee Benefit Contributions - Ordinary Maintenance	\$49,438	\$0	\$49,438
94000 Total Maintenance	\$303,845	\$19,313	\$323,158
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$6,073	\$0	\$6,073
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$6,073	\$0	\$6,073
96110 Property Insurance	\$55,712	\$0	\$55,712
96120 Liability Insurance	\$4,495	\$0	\$4,495
96130 Workmen's Compensation	\$9,267	\$0	\$9,267
96140 All Other Insurance	\$10,450	\$0	\$10,450
96100 Total Insurance Premiums	\$79,924	\$0	\$79,924
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$16,573		\$16,573
96300 Payments in Lieu of Taxes	\$19,273	\$0	\$19,273
96400 Bad debt - Tenant Rents	\$3,747	\$0	\$3,747
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$39,593	\$0	\$39,593
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$685,905	\$20,861	\$706,766
97000 Excess of Operating Revenue over Operating Expenses	-\$12,299	\$219,340	\$207,041

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Single Project Revenue and Expense

	Low Rent	Capital Fund	Total Project
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$168,874	\$44,573	\$213,447
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$854,779	\$65,434	\$920,213
10010 Operating Transfer In	\$44,700	\$0	\$44,700
10020 Operating transfer Out	\$0	-\$44,700	-\$44,700
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$44,700	-\$44,700	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$136,473	\$130,067	-\$6,406
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,007,518	\$339,420	\$2,346,938
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$150,806	\$150,806
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1693		1693
11210 Number of Unit Months Leased	1636		1636
11270 Excess Cash	\$46,179		\$46,179
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$277,880	\$277,880
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$21,331	\$21,331
11650 Leasehold Improvements Purchases	\$0	\$26,036	\$26,036
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Entity Wide Revenue and Expense Summary

	Project Total	14,885 Formula Capital Fund Stimulus Grant	Total
70300 Net Tenant Rental Revenue	\$255,037	\$0	\$255,037
70400 Tenant Revenue - Other	\$5,906	\$0	\$5,906
70500 Total Tenant Revenue	\$260,942	\$0	\$260,942
70600 HUD PHA Operating Grants	\$440,082	\$32,058	\$472,120
70610 Capital Grants	\$174,641	\$150,606	\$325,247
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$305	\$0	\$305
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$37,857	\$0	\$37,857
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$913,807	\$182,664	\$1,096,471
91100 Administrative Salaries	\$111,118	\$0	\$111,118
91200 Auditing Fees	\$8,530	\$0	\$8,530
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$109	\$0	\$109
91500 Employee Benefit contributions - Administrative	\$40,005	\$0	\$40,005
91600 Office Expenses	\$12,867	\$0	\$12,867
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$10,677	\$0	\$10,677
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$9,853	\$2,425	\$12,278
91000 Total Operating - Administrative	\$193,159	\$2,425	\$195,584
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$2,552	\$0	\$2,552
92500 Total Tenant Services	\$2,552	\$0	\$2,552

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Entity Wide Revenue and Expense Summary

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Total
93100 Water	\$24,274	\$0	\$24,274
93200 Electricity	\$8,697	\$0	\$8,697
93300 Gas	\$1,297	\$0	\$1,297
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$28,039	\$0	\$28,039
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$62,307	\$0	\$62,307
94100 Ordinary Maintenance and Operations - Labor	\$137,064	\$0	\$137,064
94200 Ordinary Maintenance and Operations - Materials and Other	\$47,163	\$18,383	\$65,546
94300 Ordinary Maintenance and Operations Contracts	\$89,493	\$11,250	\$100,743
94500 Employee Benefit Contributions - Ordinary Maintenance	\$49,438	\$0	\$49,438
94000 Total Maintenance	\$323,158	\$29,633	\$352,791
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$6,073	\$0	\$6,073
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$6,073	\$0	\$6,073
96110 Property Insurance	\$55,712	\$0	\$55,712
96120 Liability Insurance	\$4,495	\$0	\$4,495
96130 Workmen's Compensation	\$9,267	\$0	\$9,267
96140 All Other Insurance	\$10,450	\$0	\$10,450
96100 Total Insurance Premiums	\$79,924	\$0	\$79,924
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$16,573	\$0	\$16,573
96300 Payments in Lieu of Taxes	\$19,273	\$0	\$19,273
96400 Bad debt - Tenant Rents	\$3,747	\$0	\$3,747
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$39,593	\$0	\$39,593
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$706,766	\$32,058	\$738,824
97000 Excess of Operating Revenue over Operating Expenses	\$207,041	\$150,606	\$357,647

**HOUSING AUTHORITY OF LAKE PROVIDENCE
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2010

Entity Wide Revenue and Expense Summary

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$213,447	\$0	\$213,447
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$920,213	\$32,058	\$952,271
10010 Operating Transfer In	\$44,700	\$0	\$44,700
10020 Operating transfer Out	-\$44,700	\$0	-\$44,700
10030 Operating Transfers from/to Primary Government		\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$6,406	\$150,606	\$144,200
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,348,938	\$0	\$2,348,938
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$150,606	-\$150,606	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1693	0	1693
11210 Number of Unit Months Leased	1636	0	1636
11270 Excess Cash	\$46,179		\$46,179
11610 Land Purchases	\$0		\$0
11620 Building Purchases	\$277,880		\$277,880
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$21,331		\$21,331
11650 Leasehold Improvements Purchases	\$26,036		\$26,036
11660 Infrastructure Purchases	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0